PUBLIC DISCLOSURE

April 3, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Evergreen Bank Group
Certificate #35230

1512 West 22nd Street
Oak Brook, Illinois 60523

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Substantial Noncompliance.**
The Lending Test is rated: **Needs To Improve.**
The Community Development Test is rated: **Satisfactory.**

Evergreen Bank Group's (EBG) Community Reinvestment Act (CRA) rating is "Substantial Noncompliance." The bank has a substantially deficient record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The bank was initially rated "Needs to Improve" based on the less than satisfactory performance under the lending test; however, substantive violations of Regulation B, which implements the Equal Credit Opportunity Act, were identified during a fair lending review of the bank. Due to these substantive violations, the bank's overall CRA rating was lowered to "Substantial Noncompliance." See the "Compliance with Anti-Discrimination Laws and Regulations" section on Page 14 for a more detailed discussion of the fair lending review findings. The following summarizes the institution's lending and community development performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of the institution's loans are outside the designated assessment area.
- The distribution of loans to borrowers reflects, given the demographics of the assessment area, poor penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The geographic distribution of loans reflects a poor dispersion throughout the assessment area.
- The bank has not received any complaints about its performance in meeting assessment area credit needs.

The CRA Performance Evaluation also evaluates the institution's performance under the Intermediate Small Institution Community Development Test. The institution can satisfy the Community Development Test requirements with qualified community development activities under lending, investments, and services.

- The institution's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services considering the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment area.

SCOPE OF EXAMINATION

This evaluation was prepared using the Interagency Evaluation Procedures for Intermediate Small Institutions, covering the period January 1, 2010 through December 31, 2011. The evaluation of EBG's lending performance is based upon a review of its motorsport lending, home mortgage lending, home equity lines of credit, and small business lending activities in 2010 and 2011. According to the December 31, 2011 Report of Condition (or Call Report), motorsport lending represents the largest portion of the bank's lending activity, followed by home equity lines of credit, home mortgage lending, and small business lending. As required by the regulation, major product lines were reviewed during this evaluation. This included motorsport lending, as it makes up the largest component of the bank's loan portfolio at 54 percent as captured under other consumer loans in the Call Report. As such, the bank's motorsport lending performance is given greater weight in arriving at an overall conclusion with respect to the bank's lending performance. The motorsport loans are originated through FreedomRoad Financial, the bank's Loan Production Office (LPO) in Reno, Nevada. Small farm loans are not included in this evaluation as the bank does not offer this type of loan product.

Motorsport lending was analyzed during this evaluation. The bank originated 6,157 ($63 million) loans in 2010, and 8,082 ($79 million) motorsport loans in 2011. While the bank provided additional information regarding the motorsport loans, this information could not be validated and a statistical random sample was utilized. A sample of 50 loans originated in 2010 totaling approximately $479,000 was reviewed. In addition, a sample of 50 loans originated in 2011 totaling approximately $506,000 were included in our review.

Home mortgage loans include home purchase, refinance, and home improvement loans subject to the reporting requirements of the Home Mortgage Disclosure Act (HMDA). The bank originated 40 home mortgage loans totaling approximately $11 million in 2010 and 35 loans totaling approximately $7 million in 2011. In addition, the entire universe of 15 home equity lines of credit (HELOCs) totaling $1.1 million originated in 2010 was reviewed. A random sample of 37 HELOCs totaling approximately $1.9 million for 2011 was also reviewed. The universe of HELOCs in 2011 was 145 loans totaling $8.5 million.

Small business loans are loans secured by non-farm, non-residential properties and commercial and industrial loans with original loan amounts of $1 million or less. The bank originated 45 small business loans totaling approximately $16 million in 2010 and 47 loans totaling approximately $14 million in 2011. The entire universe of small business loans were utilized during this evaluation as EBG had collected small business loan data, although they were not required to collect such information.

The bank's community development activities initiated or renewed since the previous evaluation on July 18, 2006 were also evaluated under the Community Development Test.

To assist in assessing the bank's CRA performance, community contact interviews, which were conducted with representatives in the assessment area and not affiliated with the bank, were reviewed during the examination. According to the contacts, affordable housing is needed in all income segments of the assessment area. Further, there are many small businesses that have trouble finding available financing in the bank's assessment area. In addition to affordable housing and economic development needs, community contacts stated that the area is in need of financial literacy programs. Information obtained from these interviews was also used to set the scope of this CRA evaluation.

DESCRIPTION OF INSTITUTION

EBG is a $393 million commercial bank headquartered in Oak Brook, Illinois, and owned by Bancorp Financial, Inc. It should be noted that Bancorp Financial, Inc. purchased the former Evergreen Bank in 2007 and opened its headquarters and walk-up facility in Oak Brook. The bank also has a full-service branch in Evergreen Park. The branch office in Evergreen Park is located in a middle-income census tract and the main office in Oak Brook is located in an upper-income census tract.

Following the change in ownership, the Board opened the FreedomRoad Financial Loan Production Office (LPO) in Reno, Nevada. This LPO specializes in motorsport lending, by financing consumer purchases of high-end motorcycles nationwide. There is no deposit-taking facility at the LPO.

The bank operates during reasonable business hours, including Saturdays, offers drive-up services at the Evergreen facility and an automated teller machine (ATM) is located at both bank offices. The bank also participates in the STAR ATM network which allows for customer access to withdrawals and transfers surcharge free.

EBG offers traditional consumer and commercial deposit and credit products. The bank and branch facility offer first mortgages, home equity loans, home equity lines of credit, and adjustable rate mortgages. The bank also offers savings accounts, checking accounts, money market accounts, and certificate of deposit accounts. Other banking options available to customers include telephone banking, online banking through the bank's informational website at www.evergreenbankgroup.com, safe deposit boxes, coin counter, and account sweeps.

It should be noted that EBG also assists in helping its assessment area residents secure residential loan products with longer terms via the secondary market. These loans are not included in the lending test as EBG did not make the credit decision; however; it does show that the bank is flexible and offers a wider variety of loan products to assessment area customers. A review of the products for 2010 indicated that EBG assisted residents with 35 such residential loans. In 2010 residential loans sold on the secondary market were originated to one low-income borrower and three moderate-income borrowers. Also, one loan was originated in a moderate-income census tract. The review of 2011 residential loans sold on the secondary market indicated that one loan was originated to both a low-income and a moderate-income borrower.

According to the institution's December 31, 2011 Call Report, the institution had $393 million in assets and $284 million in total loans. Based on the same information, the largest segment of the bank's loan portfolio is motorsport (listed as "Other" loans in Table A) lending at 54 percent of the total portfolio. Additional information regarding the composition of --G's loan portfolio is detailed in Table A, on the following page.

Table A - Loan Distribution as of 12/31/2011		
Loan Type	**Dollar Amount ($000s)**	**Percent of Total Loans**
Construction and Land Development	$697	<1%
Secured by Farmland	$0	--
1-4 Family Residential (Closed End)	$27,875	10%
1-4 Family Residential (Open End)	$53,899	19%
Multifamily (5 or more) Residential	$5,158	2%
Commercial	$33,650	12%
Total Real Estate Loans	**$121,279**	**43%**
Commercial and Industrial	$8,412	3%
Agricultural	$0	--
Consumer	$468	<1%
Other	$153,614	54%
Less: Unearned Income	$0	--
***Total Loans**	**$283,773**	**100%**

Source: Call Report as of December 31, 2011

There are no legal or financial impediments that hinder the bank's ability to provide credit within its assessment area. However, the bank operates in a highly competitive environment. The bank faces significant competition from other financial entities within the assessment area, including other financial institutions, savings associations, credit unions, and mortgage companies. According to the FDIC's Summary of Deposit data, as of June 30, 2011, there were 2,016 office facilities and 221 different headquarters of commercial banks and savings institutions operating in the bank's assessment area.

EBG received a CRA rating of "Satisfactory" rating at the prior CRA evaluation, performed by the Federal Deposit Insurance Corporation (FDIC) as of July 18, 2006 utilizing Small Bank Procedures. Interagency Evaluation Procedures for Intermediate Small Institutions were utilized during this current evaluation as such procedures are utilized for institutions with assets of at least $280 million as of December 31 of both the prior two calendar years, and less than $1.122 billion as of December 31 of either of the prior two calendar years.

DESCRIPTION OF ASSESSMENT AREA

The institution's assessment area is comprised of 1,490 census tracts, making up the entire counties of Cook (1,343 census tracts) and DuPage (147 census tracts). These census tracts are contiguous and located within the Chicago-Naperville-Joliet Metropolitan Division (MD). The bank's assessment area is consistent with the requirements of the regulation, as it is composed of whole geographies and includes the census tracts in which the bank's offices and automated teller machines are located. Additionally, the bank's assessment area does not arbitrarily exclude any low- or moderate-income geographies.

Unless otherwise stipulated, the demographic information reported in this evaluation is based on 2000 U.S. Census data. Borrower income classifications are based on the Department of Housing and Urban Development's (HUD) adjusted Median Family Income (MFI) for the corresponding year in which credits are originated. Please refer to Appendix A for definitions of demographic, housing, and other terms that are used in this evaluation.

Overall, the geographic distribution of individual census tracts within the assessment area is as follows: 232 low-income tracts (16 percent), 400 (27 percent) moderate-income tracts, 482 (32 percent) middle-income tracts, and 360 (24 percent) upper-income tracts. In addition, there are 16 census tracts (1 percent) for which the income level is unavailable due to no or nominal levels of population. There are no low-income tracts in the immediate areas surrounding the bank's main office or branch location. The nearest low-income tracts within the bank's assessment area are approximately 3 miles away from the Evergreen Park branch facility. Also, the nearest moderate-income census tracts are 4 miles away from the Evergreen Park branch facility. Table B provides more specific demographic information on the bank's assessment area, the Chicago-Joliet Naperville MD, and the State of Illinois.

As detailed in Table B, 57 percent of housing units in the assessment area are owner-occupied, with 69 percent being 1-4 family units indicating that opportunities for residential lending do exist. However, a median housing value of $184,005 for the assessment area makes it difficult for low- and moderate-income borrowers to afford mortgage loans. With 23 percent of families considered low-income and 18 percent considered moderate-income, the need for affordable housing is evident. This fact was reinforced by the information obtained from the community contacted interviews reviewed during the examination.

Table B – Demographic & Economic Information			
Category	**Assessment Area**	**Chicago-Joliet Naperville MD**	**State of Illinois**
Total Population	6,280,902	7,628,412	12,419,293
Percentage of Families by Income level:			
Low-Income	23%	21%	20%
Moderate-Income	18%	18%	18%
Middle-Income	21%	22%	23%
Upper-Income	38%	39%	39%
Median Family Income	$61,858	$63,281	$55,545
Families Below the Poverty Level	9%	8%	8%
Unemployment Rate	7%	6%	6%
Median Housing Value	$184,005	$179,522	$127,800
Percentage of Total Housing Units:			
1-4 Family	69%	72%	79%
Multi-Family	31%	28%	21%
Median Gross Rent	$680	$680	$605
Housing Units:			
Owner-Occupied Housing Units	57%	60%	63%
Rental Housing Units	37%	35%	31%
Vacant Housing Units	5%	5%	6%
Renters w/rent costs >30% of Income	37%	36%	35%

Source: 2000 US Census. Total percentage may not add to 100 due to rounding.

In addition, owner occupancy levels in low- and moderate-income tracts are low, at 3 and 18 percent, respectively, when compared to the occupancy levels of middle- and upper-income tracts as displayed in Table C. This disparity is indicative of the difficulties institutions have in originating residential loans in low- and moderate-income tracts. These facts are taken into consideration when evaluating the institution's lending distribution and borrower profile.

Table C – Selected Housing Characteristics by Income Category of the Geography									
Geographic Income Category	**Percentage**						**Median**		
	Census Tracts	**House-holds**	**Housing Units**	**Owner-Occupied**	**Rental Units**	**Vacant Units**	**Age**	**Home Value**	**Gross Rent**
Low	16%	9%	9%	3%	16%	24%	52 yrs	$98,326	$459
Moderate	27%	24%	25%	18%	34%	32%	50 yrs	$113,725	$595
Middle	32%	39%	38%	44%	30%	24%	38 yrs	$149,577	$727
Upper	24%	28%	29%	36%	20%	20%	32 yrs	$255,825	$937
Total or Median*	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**38yrs**	**$184,005**	**$680**

Source: 2000 U.S. Census. * Total percentage may not add to 100 due to rounding.

According to the 2010 D&B data, there are 522,882 non-farm businesses that operate in the assessment area. Of the total businesses, 64 percent reported gross annual revenues of $1 million or less. A majority of the businesses are involved in the service industry, followed by retail trade. Approximately 92 percent of businesses operate out of a single location in the assessment area. In addition, 82 percent own property, indicating that opportunities for commercial real estate lending are available.

Although the data indicates that the assessment area continues to have a strong economic base, the local economy continues to be affected by the recent recession. According to the Bureau of Labor Statistics, unemployment rates remain high in the assessment area at nearly 11 percent in Cook County and 8 percent in DuPage County as of the 4th quarter in 2011. In addition to unemployment rates, bankruptcy filing rates continue to be high and Cook County ranks 7th in the State of Illinois with 20 percent, according to the Administrative Office of the U.S. Courts.

According to the Bureau of Census, residential real estate activity is on the rise in Cook County and fell in DuPage County. From 2009 to 2010 Cook County total residential housing permits increased by 32 percent indicating opportunity for home mortgage lending. However; total residential housing permits fell in DuPage County by 1 percent during the same period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. EBG has maintained an average net loan-to-deposit ratio of 86 percent over the 22 calendar quarters since the previous evaluation. The quarterly ratio has fluctuated from a low of 69 percent to a high of 105 percent. The institution's loan-to-deposit ratios were compared to five other banks which had similar asset sizes and portfolio concentrations, and which operate primarily within EBG's assessment area. These similarly situated financial institutions had average net loan-to-deposit ratios for the current evaluation period ranging from a low 53 percent to a high of 112. A loan-to-deposit ratio above 100 percent is usually achieved through market borrowings from entities such as the Federal Home Loan Bank.

Lending in Assessment Area

A substantial majority of the bank's loans and other lending activities has occurred outside the bank's assessment area. Thus, the bank's assessment area concentration does not meet the standards for satisfactory performance. As noted in Table D, the bank originated a majority of its motorsport loans outside of its assessment area. As previously stated such lending makes up the largest portion of the bank's loan portfolio at approximately 54 percent and is weighted more heavily during this evaluation. Notable changes have occurred in the bank's lending activity since 2007, when new ownership and management took over the bank and opened the LPO, FreedomRoad Financial, in Reno, Nevada. FreedomRoad Financial is a division of the bank that specializes in indirect motorcycle lending. The bank currently has relationships and financed loans with approximately 346 dealers specializing in high-end motorcycles. Table D depicts a sample of such loans originated by number and dollar volume in 2010 and 2011.

It should be noted that the bank continues to offer home mortgage loans, small business loans, and home equity lines of credit, and the majority of these products were originated inside the assessment area. However, the significant LPO lending activity has greatly overshadowed the volume of lending being conducted at the main and full-service branch office and has resulted in a heavy concentration in out-of-assessment area lending. Overall, the bank's assessment area concentration performance is considered poor.

Table D – Distribution of Loans Inside and Outside of the Assessment Area

Loan Category or Type	Number of Loans					Dollars in Loans ($000)				
	Inside		Outside		Totals	Inside		Outside		Totals
	#	%	#	%		$	%	$	%	
Motorport Loans										
2010	1	2%	49	98%	50	$4	1%	$475	99%	$479
2011	1	2%	49	98%	50	$12	2%	$494	98%	$506
Subtotal	2	2%	98	98%	100	$16	2%	$969	98%	$985
Home Mortgage*										
2010	38	95%	2	5%	40	$11,037	99%	$140	1%	$11,177
2011	30	86%	5	14%	35	$5,701	79%	$1,535	21%	$7,236
Subtotal	68	91%	7	9%	75	$16,738	91%	$1,675	9%	$18,413
Home Equity Lines										
2010*	13	87%	2	13%	15	$845	76%	$264	24%	$1,109
2011	32	86%	5	14%	37	$1,616	86%	$273	14%	$1,889
Subtotal	45	87%	7	13%	52	$2,461	82%	$537	18%	$2,998
Small Business*										
2010	34	76%	11	24%	45	$11,597	73%	$4,348	27%	$15,945
2011	34	72%	13	28%	47	$8,953	66%	$4,570	34%	$13,523
Subtotal	68	74%	24	26%	92	$20,550	70%	$8,918	30%	$29,468

Source: 2010-2011 HMDA-LARs & Bank Records. *Represent full universe. Others represent sample.

Borrower Profile Analysis

Given the demographic make-up of the assessment area and available lending opportunities, the distribution of motorsport loans in the bank's assessment area reflects poor penetration among individuals of different income levels. The distribution of home mortgage lending, home equity lines of credit and small business loans is considered adequate. However, motorsport lending is given greater weight when determining the overall conclusion of this evaluation. The bank's overall low level of lending inside the assessment area negatively affected its performance under this criterion. Only loans originated in the assessment area are considered in this analysis. Separate analysis for each loan product follows.

Motorsport Lending

The bank's record of motorsport lending reflects very poor penetration among individuals of different income levels. This conclusion is based upon the very low number of motorsport loans made by the bank within its assessment area during 2010 and 2011.

EBG originated only one motorsport loan ($3,900) to an upper-income borrower in 2010 and one ($11,836) loan to an upper-income borrower in 2011. As this is the bank's largest portion of the loan portfolio, it is expected that more than two loans would be originated inside the assessment area.

A CRA self assessment written by EBG (January 1, 2010 to December 31, 2011) noted that the LPO doing business as FreedomRoad Financial in Reno, Nevada is a "national indirect power sport lender of high-end motorcycles." Specifically, the LPO offers loans for motorcycles such as: Harley-Davidson/Victory; Ducati; European Metric; Indian Motorcycle; Japanese Metric; Moto Guzzi; Vespa/Piaggio; and Triumph. These motorsport loan products appear to be geared more towards middle- and upper-income borrowers.

As previously noted, the bank is currently operating under new ownership and management since the previous evaluation conducted in 2006. Thus, dramatic changes in the bank's assessment area concentration occurred in 2007 when the bank opened the LPO, as a majority of the bank's effort and resources began to be directed outside of its assessment area. It is clear that the Board and senior management did not properly assess how the LPO lending activity would impact the bank's overall CRA performance.

Residential Mortgage Lending
The institution's record of originating home mortgage loans and home equity lines of credit by borrower income levels is reasonable. Refer to Table E for information regarding the institution's record of HMDA home mortgage lending and Table F for home equity lines of credit lending.

Table E – Distribution of Home Mortgage Loans by Borrower Income

Borrower Income Level	% Total Families*	2010 Aggregate #	2010 Aggregate $	2010 ($000)				2011 ($000)			
				#	%	$	%	#	%	$	%
Low	23%	5%	2%	0	--	0	--	0	--	0	--
Moderate	18%	13%	8%	3	8%	$341	3%	0	--	0	--
Middle	21%	20%	15%	8	21%	$1,279	12%	1	3%	$160	3%
Upper	38%	46 %	58%	22	58%	$4,858	44%	25	84%	$2,708	47%
NA	--	16 %	17%	5	13%	$4,559	41%	4	13%	$2,833	50%
Total	**100%**	**100%**		**38**	**100%**	**$11,037**	**100%**	**30**	**100%**	**$5,701**	**100%**

Source: 2010-2011 HMDA-LARs /*2000 US Census.

The bank's distribution of home mortgage loans to borrowers of different income levels (including low- and moderate-income) as demonstrated in Table E is considered adequate. The bank did not originate any loans to low-income borrowers in 2010 and 2011. In 2010, the bank originated three loans to moderate-income borrowers. This performance trailed aggregate data by both number and dollar volume. The bank did not originate any loans to moderate-income borrowers in 2011.

It should be noted that the overall declining economic conditions have affected many financial institutions nationwide. The recent financial crisis affecting the economy has had a damaging affect on housing values. Declining property values which reduce housing equity and erode the value of a home, make it much more difficult to qualify for a refinance or home improvement mortgage loan, especially for low- and moderate-income individuals based on their lower incomes and reduced equity in their homes. Low-income individuals also experience higher levels of poverty. Of the families residing in the assessment area, 9 percent are living below the poverty level and in many instances would not qualify for a loan.

Table F – Distribution of HELOCs by Borrower Income									
Borrower Income Level	% Total Families*	2010 ($000)				2011 ($000)			
		#	%	$	%	#	%	$	%
Low	23%	3	23%	$307	36%	0	--	0	--
Moderate	18%	4	31%	$167	20%	0	--	0	--
Middle	21%	2	15%	$100	12%	3	9%	$92	6%
Upper	38%	4	31%	$271	32%	29	91%	$1,524	94%
Total	**100%**	**13**	**100%**	**$845**	**100%**	**32**	**100%**	**$1,616**	**100%**

Source: 2010 and 2011 Bank records/*2000 US Census

Overall, EBG's distribution of home equity lines of credit lending also reflects reasonable penetration among individuals of different income levels. In 2010, as shown in Table F, the bank originated 3 home equity lines of credit (HELOCs) to low-income borrowers (23 percent). The bank's performance mirrored the percentage of low-income families residing in the assessment area. However, the bank did not make any HELOCs to low-income borrowers in 2011. The bank originated 4 HELOCs (31 percent) to moderate-income borrowers in 2010. The bank's performance was substantially higher than the percentage of moderate-income families residing in the assessment area. In 2011 the bank did not originate any HELOCs to moderate-income borrowers.

As previously noted, 9 percent of families residing in the assessment area are living below poverty and in most instances would not qualify for a loan. Additionally, the median housing value in the assessment area is $184,005 which makes home ownership in the assessment area difficult for lower income families. Furthermore, HELOCs are typically sought by higher income individuals who can qualify for additional borrowings based on their income level and equity in their home. Given the challenges present, the bank has achieved a reasonable penetration of home equity lines of credit, particularly among moderate-income borrowers.

Small Business Lending

The bank's small business loans were evaluated based on the lending concentrations to businesses with gross annual revenues of $1 million or less originated during the evaluation period. Of the 68 small business loans originated within the assessment area during the review period, 37 or 54 percent were granted to businesses with gross revenues of $1 million or less. By dollar amount, 64 percent were granted to businesses with gross revenues of $1 million or less. The bank has achieved a reasonable lending penetration among businesses of different sizes as reflected in Table G, on the following page.

Table G – Distribution of Business Loans by Revenue									
Business Revenue Level	% of Businesses*	2010 ($000)				2011($000)			
		#	%	$	%	#	%	$	%
≤ $1,000,000	74%	20	59%	$7,655	66%	17	50%	$5,619	63%
> $1,000,000	6%	12	35%	$2,807	24%	17	50%	$3,334	37%
NA	20%	2	6%	$1,135	10%	0	--	$0	--
Total	**100%**	**34**	**100%**	**$11,597**	**100%**	**34**	**100%**	**$8,953**	**100%**

Source: Small Business (2010 and 2011 Bank records) / *2010 D&B Demographic Data

Although the bank's distribution of small business loans lies below the percentage of businesses that report revenues at or below $1 million inside the assessment area (by both number and dollar amount), it should be noted that the demographics (74 percent) indicate the total number of small businesses that exist and not necessarily the percentage that are seeking financing or that may qualify for financing. As such, actual small business lending opportunities typically lag the percentage of small businesses in the market area. Due to the weakened economy it has become more difficult for small businesses to qualify for credit. Additionally, the bank operates in a highly competitive environment. As stated previously, according to the FDIC's Summary of Deposit data, as of June 30, 2011, a total of 221 FDIC insured institutions operate from 2,016 offices within the bank's assessment area. Given the challenging economic environment, the significant competition faced by the bank from other lenders, and the bank's financial condition, the bank has achieved a reasonable lending penetration among businesses of different sizes.

Although residential mortgage lending and small business lending is considered adequate in regards to lending to borrowers of different income levels and to businesses of various revenue sizes, the overall assessment of this criterion is considered poor. The bank has directed a substantial majority of its resources on motorsport lending outside its assessment area. As previously noted, motorsport lending makes up approximately 54 percent of the bank's loan portfolio and is weighted more heavily during this evaluation. Therefore, the bank is not meeting the needs of its assessment area.

Geographic Distribution of Lending

The geographic distribution of motorsport lending reflects poor dispersion throughout the assessment area. The distribution of home mortgage loans, home equity lines of credit, and small business loans is considered adequate. The bank's overall low level of motorsport lending inside the assessment area negatively affected its geographic distribution performance.

Motorsport Lending

Overall, the bank's motorsport geographic distribution of lending is considered very poor as one loan ($3,900) was originated in 2010 in an upper-income census tract and one loan ($11,836) was originated in an upper-income census tract in 2011. As previously noted this is the bank's largest loan product and is weighted more heavily during this evaluation. While the bank's assessment area consists of 232 low-income and 400 moderate-income census tracts; no motorsport loans were originated in these tracts. The vast majority of motorsport lending is originated on the west coast as the LPO is located in Reno, Nevada. This is considered to be an inadequate volume of lending for this assessment area given the available lending opportunities and the bank's available resources. Thus, the bank's low level of motorsport lending in the assessment area negatively impacted its performance under this assessment criterion overall.

Residential Mortgage Lending

The bank's performance in originating home mortgage loans reflects an adequate dispersion of loans throughout the assessment area. As depicted in Table H, the geographic distribution of the institution's home mortgage lending reflects a reasonable dispersion of lending in low- and moderate-income census tracts. This conclusion is based upon a review of home mortgage lending in low- and moderate-income census tracts in 2010 and 2011. Aggregate lending data in 2010, as well as 2000 demographic data, was used as it is the most recent available data as of the date of this evaluation.

Table H – Distribution of Home Mortgage Loans by Income Category of the Geography

Tract Income Level	% of Owner Occupied Units**	Aggregate %		#	%	($000s)	%
		#	$				
Low							
2010	--	2%	2%	0	--	0	--
2011	3%	--	--	2	7%	$359	6%
Moderate							
2010	--	11%	10%	2	5%	$189	2%
2011	18%	--	--	2	7%	$484	8%
Middle							
2010	--	34%	28%	18	47%	$3,508	32%
2011	44%	--	--	7	23%	$2,921	51%
Upper							
2010	--	52%	60%	18	47%	$7,340	66%
2011	36%	--	--	19	63%	$1,937	34%
Total*							
2010	--	**100%**	**100%**	**38**	**100%**	**$11,037**	**100%**
2011	**100%**	**--**	**--**	**30**	**100%**	**$5,701**	**100%**

Source: **2000 U.S. Census. *Columns may not add to 100 percent due to rounding. 2010-2011 HMDA-LARs

By number, the bank did not originate any home mortgage related loans in low-income tracts in 2010. This is below the 2010 aggregate data which noted 2 percent and below the 3 percent of housing units which are owner occupied in the assessment area. The 2010 aggregate lending opportunities in low-income tracts is a mere 2 percent indicating that there were limited opportunities to lend in those tracts. In 2011, two loans or 7 percent of the home mortgage loans were originated in low-income tracts, which exceeded the percentage of owner occupied units in those tracts. It should be noted that the 2011 aggregate data was not available at the time of this evaluation.

In 2010, the bank originated 5 percent of its total home mortgage loans in moderate-income tracts, compared to the aggregate's percentage of 11 percent and the percentage of owner-occupied units of 18 percent. The bank's percentage or home loan originations increased to 7 percent in 2011 but continued to trail the percentage of owner occupied units in those tracts. As mentioned earlier, the bank operates in a competitive environment, facing competition from larger regional financial institutions. In addition, the nearest low- and moderate-income census tracts are three and four miles, respectively from the Evergreen Park branch facility and the main office. These factors coupled with the low level of owner occupied units in these tracts can make it difficult for a small bank to gain market share in these income tract segments. Similar conclusions were evident in the dollar volume percentages of home mortgage loan originations in 2010 and 2011.

The geographic distribution of home equity lines of credit (HELOC) is detailed in Table I. As only 3 percent of the housing units located in low-income census tracts are owner-occupied, home mortgage lending in such tracts is somewhat limited. The bank did not originate any HELOCs in low-income census tracts in 2010. However, one HELOC was originated in such tracts in 2011 and mirrored the percentage of owner occupied units in the assessment area at 3 percent.

A similar lending pattern was noted when reviewing HELOCs originated in moderate-income census tracts as no loans were originated in 2010. However, 4 loans (13 percent) were originated in moderate-income census tracts in 2011. HELOCs originated in moderate-income census tracts were slightly lower at 13 percent than owner occupied units in the assessment area at 17 percent. Overall, the bank's geographic distribution of HELOCs is considered reasonable.

Table I – Distribution of HELOCs by Income Category of the Geography

Tract Income Level	% of Owner Occupied Units*	2010				2011			
		#	%	$	%	#	%	$	%
Low	3%	0	--	0	--	1	3%	$72	4%
Moderate	17%	0	--	0	--	4	13%	$222	14%
Middle	44%	2	15%	$323	38%	7	22%	$333	21%
Upper	36%	11	85%	$522	62%	20	63%	$989	61%
Total	**100%**	**13**	**100%**	**$845**	**100%**	**32**	**100%**	**$1,616**	**100%**

Source: 2010 and 2011 Bank records/*2000 US Census

Small Business Lending

The geographic distribution of small business loans reflects a reasonable dispersion throughout the assessment area. Table J, on the following page, depicts the geographic distribution of small business loans within the assessment area. The bank did not originate any small business loans in low-income tracts in 2010 and 2011. However; only four percent of businesses in the assessment area are located in low-income census tracts, demonstrating the limited opportunities available for small business lending. Furthermore, the bank's Evergreen Park branch facility is located approximately 3 miles away from such tracts, with over 15 banks located between the branch and nearest low-income census tract. This demonstrates the highly competitive environment and limited opportunities for the bank to lend in low-income census tracts.

Although the bank's percentage of loans to small businesses located in moderate-income tracts is less than the demographics, lending is reasonable. It should be noted the demographics include the total number of small businesses that exist in a defined area and not necessarily the percentage that are seeking financing or that may qualify for financing. As such, actual lending opportunities typically trail the percentage of small businesses in the market area. As noted in the table below the bank originated 4 small business loans in 2010 in moderate-income tracts but trailed the percentage of businesses (15 percent) located in these tracts, in both number of loans and dollar amount of loans. In 2011, the bank originated just one small business loan in moderate-income census tracts. The bank's overall small business lending performance to moderate-income geographies adequately reflects the demographic data.

Table J – Distribution of Small Business Loans by Income Category of the Geography					
Tract Income Level	**% of Businesses in the Assessment Area***	**#**	**%**	**$ (000s)**	**%**
Low					
2010	4%	0	--	0	--
2011	--	0	--	0	--
Moderate					
2010	15%	4	12%	$889	8%
2011	--	1	3%	$119	1%
Middle					
2010	36%	15	44%	$3,243	28%
2011	--	18	53%	$3,509	39%
Upper					
2010	45%	15	44%	$7,465	64%
2011	--	15	44%	$5,325	59%
Total					
2010	**100%**	**34**	**100%**	**$11,597**	**100%**
2011	**--**	**34**	**100%**	**$8,953**	**100%**

Source: Small business (2010 and 2011 Bank Records). *D&B Demographic Data (2010)

Considering all of the above factors, the bank's geographic distribution of its small business loans reflects a reasonable dispersion of lending throughout the assessment area. While the bank's geographic distribution of residential mortgage lending and small business lending is considered adequate; overall this criterion is considered poor. Again, the fact that the bank has spent a substantial majority of its resources on motorsport lending outside its assessment area places a negative effect on this criterion. As previously mentioned, motorsport lending makes up approximately 54 percent of the bank's loan portfolio and is weighted more heavily during this evaluation. Therefore, the bank is not meeting the needs of its assessment area.

Response to Complaints

The bank has not received any complaints regarding its Community Reinvestment Act performance since the prior CRA Evaluation in May 2006. Therefore, this criterion is not considered in the overall rating of the institution.

Compliance with Anti-Discrimination Laws and Regulations

Substantive violations of Regulation B, which implements the Equal Credit Opportunity Act, were identified during a fair lending review of the bank. Given the seriousness of these violations, the institution's CRA performance evaluation rating has been lowered to a "Substantial Noncompliance." The bank does not have adequate policies, procedures, monitoring, training programs and oversight to prevent discriminatory lending practices.

COMMUNITY DEVELOPMENT TEST

Community development lending, investments, and services were evaluated in accordance with the interagency standards for evaluating the performance of Intermediate Small Institutions. Overall, EBG's performance demonstrates adequate responsiveness to the needs of the assessment area through community development loans, investments, and services, considering the institution's capacity and the need for these initiatives within the institution's assessment area.

Opportunities for community development lending, investments, and services are available based upon an analysis of demographic information, the CRA public evaluations of other institutions, and information obtained from community contacts. Specific community development opportunities were also evaluated through interviews with community organizations. Needs in the community, as cited by local contacts, include the need for start-up capital for new businesses.

Community Development Lending

Overall, EGB has been responsive to the community development lending needs of the assessment area considering the institution's capacity and the availability of opportunities. Table K provides further information on the institution's qualified community development loans.

Table K – Qualified Community Development Lending Activity		
LOAN DESCRIPTION	**NUMBER OF LOANS**	**DOLLAR VOLUME OF LOAN ($000s)**
Multi-Family Affordable Housing Loans	6	$3,939
Economic Development	5	$16,760
Grand Total	**11**	**$20,699**

The number and dollar volume of community development loans extended since the previous Small Bank CRA Evaluation, conducted in 2006, is noted above. This volume represents 7 percent of the total loans in the bank's portfolio as of December 31, 2011.

Five of the 11 community development loans were extended to a local organization that is a participant in the Local Initiatives Support Corporation (LISC) Chicago New Communities Program. The New Communities Program is a long-term initiative to support comprehensive community development in 16 Chicago neighborhoods. The 10-year effort seeks to rejuvenate challenged communities, bolster those in danger of losing ground, and preserve the diversity of areas in the path of gentrification. Also, three of the 11 community development loans were extended to a local company that provides Section 8 housing for low- and moderate-income individuals.

Community Development Investments

Relative to the opportunities for making investments in its assessment area, EBG has made an adequate number and dollar total of qualified investments that have been responsive to the market's development needs. The institution maintains 34 community development investments and donations to 18 organizations totaling $4.3 million. This performance represents 1 percent of total assets, 6 percent of total investments, and 10 percent of total equity capital as of December 31, 2011.

Table L - Community Development Investment Summary	
Type of Investment	**Amount**
Mortgage Backed Securities secured by affordable housing loans	$2,932,000
Certificate of Deposits with a Community Development Financial (CDFI) Institution	$530,000
CRA Investment Fund	$600,000
Donations and Grants	$17,650
Municipal Bond (Bellwood School District 88)	$250,000

Source: Bank Records

As noted above, by dollar amount, almost all of the bank's community development investments are in two mortgage backed securities that were purchased in March 2012 for $2.9 million. These securities are collateralized exclusively with residential mortgage loans that were extended to low- and moderate-income borrowers in EBG's assessment area. The bank also invested in a $250,000 municipal bond with Bellwood School District 88. This school district contains seven schools where 90 percent of the students are classified as low-income. Overall, EBG's community development investment activity was considered to be responsive to the needs of its market.

Community Development Services

EBG's level of community development services demonstrates adequate responsiveness to the needs of the assessment area. There are ample opportunities for such activities within EBG's assessment area. EBG has engaged in 10 qualified service activities during this evaluation period. In addition, in 2011 the bank established the Community Banking Group to become more involved with the community by identifying different opportunities to provide additional services to support the small businesses in its assessment area through financial literacy to low- and moderate-income individuals and to find creative ways to help social service agencies meet the needs of the underprivileged.

Many of the staff are involved on Boards of Directors or committees at local organizations upon which EBG's directors, officers or employees serve. All of the services meet the definition of "community development" and also relate to the provision of financial services required by the regulation for consideration in this evaluation. The community development services that EBG has engaged in since the previous evaluation are illustrated in Table M.

Table M – Community Development Services			
Bank Service Description	**Bank Sponsored Event, Program, or Seminar**	**Technical Assistance or Direct Involvement by Bank Employee**	**Bank Product or Service**
A bank employee is a member of a micro-lender loan committee to approve loans made to small businesses.	X		

Table M – Community Development Services (Continued)			
Bank Service Description	**Bank Sponsored Event, Program, or Seminar**	**Technical Assistance or Direct Involvement by Bank Employee**	**Bank Product or Service**
The bank offers a financial literacy training program (MoneyIsland) via its website. Individuals using this training do not need to be a customer of the bank.			X
A bank employee presented the Money-Island program to a school in DuPage County.	X		X
A bank employee is on the Board of an organization utilizing financial expertise where the mission is to provide affordable housing in Cook County		X	
A bank employee serves as a member of an organization whose mission is to create entry level jobs in the manufacturing business that will benefit low- and moderate-income individuals.		X	
A bank Director serves as a board member for an organization that has a mission of granting funds to organizations that provide affordable housing, healthcare, education, and social services.		X	
A bank officer serves on the board of an organization that provides affordable housing in Cook County.		X	
A bank employee writes a monthly financial literacy article and post it on the bank's Mortgage Center webpage entitled Money$ense.	X		X
The bank submitted an application to the Federal Home Loan Bank of Chicago's Affordable Housing Program for a $342,000 grant to support a project in Cook County. This grant was approved but HUD did not provide the funding.			X
The bank established a Community Banking Group in 2011 to identify opportunities to provide services to small businesses in its assessment area through financial education, financial literacy for low- and moderate-income individuals and to help social service agencies that are meeting the needs of the underprivileged.			X

APPENDIX A - GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small, relatively permanent statistical subdivision of a county. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Census tracts average about 4,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency (OCC), and the FDIC have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, FDIC, and OCC, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the Suburban rating. If an institution maintains domestic branches in more than one Suburban, the institution will receive a rating for each Suburban in which those branches are located. If an institution maintains domestic branches in two or more state within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.